

STATEMENT OF REVENUE AND EXPENSES

| | Current Year | | Prior Year |
|--|----------------|---------------|---------------|
| | 1 Uncovered | 2 Total | 3 Total |
| 1. Member Months..... | XXX | 6,576,612 | 7,048,402 |
| 2. Net premium income | XXX | 1,685,180,653 | 1,648,744,093 |
| 3. Change in unearned premium reserves and reserve for rate credits | XXX | | 0 |
| 4. Fee-for-service (net of \$ medical expenses) | XXX | 891,889 | 453,481 |
| 5. Risk revenue | XXX | | 0 |
| 6. Aggregate write-ins for other health care related revenues | XXX | 0 | 0 |
| 7. Total revenues (Lines 2 to 6) | XXX | 1,686,072,542 | 1,649,197,574 |
| | | | |
| Medical and Hospital: | | | |
| 8. Hospital/medical benefits | | 1,105,310,815 | 1,386,100,929 |
| 9. Other professional services | | 38,348,446 | 31,060,067 |
| 10. Outside referrals | | 2,027,805 | 4,051,136 |
| 11. Emergency room and out-of-area | | 54,615,803 | 85,628 |
| 12. Prescription Drugs | | 160,704,361 | 92,101,720 |
| 13. Aggregate write-ins for other medical and hospital | 0 | (80,713,012) | (54,368,126) |
| 14. Incentive pool and withhold adjustments | | 201,858,725 | 0 |
| 15. Subtotal (Lines 8 to 14) | 0 | 1,482,152,943 | 1,459,031,354 |
| | | | |
| Less: | | | |
| 16. Net reinsurance recoveries | | 191,992 | 0 |
| 17. Total medical and hospital (Lines 15 minus 16) | 0 | 1,481,960,951 | 1,459,031,354 |
| 18. Claims adjustment expenses | | 59,402,501 | 0 |
| 19. General administrative expenses..... | | 111,990,345 | 153,887,067 |
| 20. Increase in reserves for accident and health contracts | | | 0 |
| 21. Total underwriting deductions (Lines 17 through 20) | 0 | 1,653,353,797 | 1,612,918,421 |
| 22. Net underwriting gain or (loss) (Lines 7 minus 21) | XXX | 32,718,745 | 36,279,153 |
| 23. Net investment income earned | | 9,052,641 | 8,664,848 |
| 24. Net realized capital gains or (losses) | | 3,554,454 | 396,103 |
| 25. Net investment gains or (losses) (Lines 23 + 24) | 0 | 12,607,095 | 9,060,951 |
| 26. Net gain or (loss) from agents' or premium balances charged off [(amount recovered \$) (amount charged off \$)] | | | 0 |
| 27. Aggregate write-ins for other income or expenses | 0 | (416,255) | (19,496,118) |
| 28. Net income or (loss) before federal income taxes (Lines 22 plus 25 plus 26 plus 27) | 0 | 44,909,585 | 25,843,986 |
| 29. Federal and foreign income taxes incurred | XXX | | 0 |
| 30. Net income (loss) (Lines 28 minus 29) | XXX | 44,909,585 | 25,843,986 |
| | | | |
| DETAILS OF WRITE-INS | | | |
| 0601. | XXX | | |
| 0602. | XXX | | |
| 0603. | XXX | | |
| 0698. Summary of remaining write-ins for Line 6 from overflow page | XXX | 0 | 0 |
| 0699. Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above) | XXX | 0 | 0 |
| | | | |
| 1301. Other Risk Sharing Payments..... | | | 27,668,333 |
| 1302. Occupancy, Depreciation and Amortization..... | | | 13,306,006 |
| 1303. Malpractice & Other Insurance..... | | | 27,289 |
| 1398. Summary of remaining write-ins for Line 13 from overflow page | 0 | (80,713,012) | (95,369,754) |
| 1399. Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above) | 0 | (80,713,012) | (54,368,126) |
| | | | |
| 2701. Miscellaneous & Other Income..... | | (416,255) | (19,496,118) |
| 2702. | | | |
| 2703. | | | |
| 2798. Summary of remaining write-ins for Line 27 from overflow page | 0 | 0 | 0 |
| 2799. Totals (Lines 2701 thru 2703 plus 2798) (Line 27 above) | 0 | (416,255) | (19,496,118) |

CAPITAL AND SURPLUS ACCOUNT

| | 1 Current Year | 2 Prior Year |
|--|-------------------|-----------------|
| CAPITAL AND SURPLUS ACCOUNT: | | |
| 31. Capital and surplus prior reporting year | 130,906,896 | 131,187,074 |
| GAINS AND LOSSES TO CAPITAL & SURPLUS: | | |
| 32. Net income or (loss) from Line 30 | 44,909,585 | 25,843,986 |
| 33. Change in valuation basis of aggregate policy and claim reserve | | 0 |
| 34. Net unrealized capital gains and losses | 558,273 | 1,945,900 |
| 35. Change in net unrealized foreign exchange capital gain or (loss) | | 0 |
| 36. Change in net deferred income tax | | 0 |
| 37. Change in nonadmitted assets | 2,122,550 | (5,511,064) |
| 38. Change in unauthorized reinsurance | 0 | 0 |
| 39. Change in treasury stock | | 0 |
| 40. Change in surplus notes | (1,283,021) | 9,997,525 |
| 41. Cumulative effect of changes in accounting principles | (2,958,242) | (16,300,000) |
| 42. Capital Changes: | | |
| 42.1 Paid in | | 0 |
| 42.2 Transferred from surplus (Stock Dividend) | | 0 |
| 42.3 Transferred to surplus | | 0 |
| 43. Surplus adjustments: | | |
| 43.1 Paid in | | 0 |
| 43.2 Transferred to capital (Stock Dividend) | | 0 |
| 43.3 Transferred from capital | | 0 |
| 44. Dividends to stockholders | | 0 |
| 45. Aggregate write-ins for gains or (losses) in surplus | (4,505,000) | (16,256,525) |
| 46. Net change in capital & surplus (Lines 32 to 45) | 38,844,145 | (280,178) |
| 47. Capital and surplus end of reporting year (Line 31 plus 46) | 169,751,041 | 130,906,896 |
| DETAILS OF WRITE-INS | | |
| 4501. Net Long-term Debt Payment - Other Surplus Notes..... | (4,505,000) | (4,505,000) |
| 4502. Surplus Notes Issued..... | | (11,751,525) |
| 4503. | | |
| 4598. Summary of remaining write-ins for Line 45 from overflow page | 0 | 0 |
| 4599. Totals (Lines 4501 thru 4503 plus 4598) (Line 45 above) | (4,505,000) | (16,256,525) |